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Overview

This bill establishes general provisions governing state appropriation bonds. It also authorizes issuance of state appropriation bonds and appropriates the proceeds for the Duluth Steam Plant project. Appropriation bonds or cash are the state funding mechanisms available for this project because it is not eligible for state general obligation bond funding; there are private use issues which affect the ability of the state to issue tax exempt bonds and potential public ownership issues (and general obligation bonds may be used only for publicly owned projects).

Section

- 1 Appropriation bonds; general terms.** Codifies general state appropriation bonding definitions, procedures, and terms. This is similar in approach to the codification of the terms, procedures, and general provisions governing state general obligation bonds. Specific legislation is then needed to authorize issuance of debt and appropriation of the proceeds.
This section does not authorize appropriation bonds for any particular project.
- 2 Duluth Steam Plant; appropriation bonds authorized.** Referring to the provisions in section 1, appropriates \$21 million from appropriation bond proceeds to DEED for a grant to Duluth to make improvements to the Duluth Steam Plant and municipal district heating system. Authorizes issuance of state appropriation bonds. Appropriates from the general fund the amount needed to pay debt service on the bonds, subject to repeal, unallotment, or cancellation.